

## Message Text

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ACTION SS-15

INFO OCT-01 ISO-00 EA-07 EB-07 SP-02 L-03 H-02 INR-07

AS-01 SSO-00 /045 W

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P 190823Z NOV 75

FM AMEMBASSY SEOUL

TO SECSTATE WASHDC PRIORITY 3984

C O N F I D E N T I A L SEOUL 8945

STADIS////////////////////////////////////

FOR DEPUTY SECRETARY INGERSOLL

E.O. 11652: GDS

TAGS: EFIN EINV ETRD KS

SUBJECT: EX-IM FINANCING FOR DOW KOREA

REF: STATE 270019

1. DOW CHEMICAL PACIFIC PRESIDENT ROBERT LUNDEEN CALLED ON ME YESTERDAY TO DISCUSS THE STATUS OF DOW'S CHLORINE AND CAUSTIC SODA AND PLASTIC RAW MATERIAL PROJECTS IN KOREA.

2. HE REPORTED THAT DOW WAS HAVING A DIFFICULT TIME WITH EX-IM ON FINANCING OF ABOUT \$100 MILLION IN PLANT AND EQUIPMENT FROM THE U.S. THE WORKING LEVEL REFUSED THE LOAN UNLESS DOW PACIFIC'S AMERICAN PARTNER INSURED IT 100 PERCENT, THUS ELIMINATING ANY RISK TO EX-IM. ACCORDING DOW, IT WOULD BE RAISED IN THE BOARD OF DIRECTORS MEETING, NOV. 20, HOWEVER. HE NOTED THAT DOW WAS GOING AHEAD FULL STEAM ON DESIGN AND SITE PREPARATION, AND WOULD HAVE TO HAVE THE FINANCING BY FEBRUARY OR REVISE ITS PLANS. ALTERNATIVE FINANCING AND EQUIPMENT WAS AVAILABLE IN THE U.K. AND GERMANY AT LOWER INTEREST BUT DOW WOULD PREFER THE ASSURED QUALITY AND PRICE IT GETS FROM U.S. SUPPLIERS.

3. I WOULD HOPE THAT YOU MIGHT ADD YOUR COGENT VIEWS TO THE CONSIDERATIONS OF THE EX-IM BANK BOARD IN THE INTEREST OF MAKING  
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THE DOW LOAN. DOW PROBLEM RAISES MORE FUNDAMENTAL ISSUES OF

OUR CAPACITY TO SUPPORT U.S. INVESTMENT AND TRADE IN KOREA,  
AS WELL AS EXTENT OUR ECONOMIC POLICY WILL REFLECT OUR SECURITY  
INTERESTS IN KOREA. WE SHALL BE COMMENTING FURTHER ON LATTER  
POINT IN RESPONSE REFTEL.  
SNEIDER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CHEMICAL INDUSTRY, BANKS, LOANS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 19 NOV 1975  
**Decaption Date:** 28 MAY 2004  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** KelleyW0  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975SEOUL08945  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Film Number:** D750402-0890  
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**Office:** ACTION SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** STADIS  
**Original Previous Classification:** n/a  
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**Previous Channel Indicators:** n/a  
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**Previous Handling Restrictions:** STADIS  
**Reference:** 75 STATE 270019  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** KelleyW0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 JUL 2003 by BoyleJA>; APPROVED <19 NOV 2003 by KelleyW0>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EX-IM FINANCING FOR DOW KOREA  
**TAGS:** EFIN, EINV, ETRD, KS, DOW, XMB  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006